

## Message Text

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PAGE 01 STATE 144565  
ORIGIN XMB-04

INFO OCT-01 ARA-14 ISO-00 EB-08 COME-00 AID-05 TRSE-00  
/032 R

XMB

DRAFTED BY XMB: D W SHEPARD/KAK

APPROVED BY ARA/ECA:STMYLES

XMB: R D CRAFTON

XMB: E J O'CONNOR

XMB: W W GLICK

EB/IFO/ODF: AWATSON

ARA/ECA: JBUMPUS

-----104080 080000Z /14

P 072207Z JUN 78

FM SECSTATE WASHDC

TO AMEMBASSY BUENOS AIRES PRIORITY

UNCLAS STATE 144565

ATTENTION: PETER JONES COMMERCIAL ATTACHE

E.O. 11652: N/A

TAGS: EFIN, AR

SUBJECT: 1. ARGENTINA: AEROLINEAS ARGENTINAS, PURCHASE OF  
727 AND 747 AIRCRAFT

2. OTHER PENDING APPLICATIONS

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SUBJECT : - ARGENTINA: AEROLINEAS ARGENTINAS, PURCHASE  
OF 727 AND 747 AIRCRAFT

1. AS EMBASSY AWARE, OFFICIALS OF AEROLINEAS ARGENTINAS  
VISITED EXIMBANK IN APRIL TO PRESENT A DIRECT CREDIT  
APPLICATION FOR ASSISTANCE IN FINANCING THREE 727-200  
AND THREE 747-200 AIRCRAFT, SPARES, MAINTENANCE EQUIPMENT  
AND SIMULATORS AT A TOTAL NET U.S. CONTRACT PRICE OF  
196.3 MILLION DOLS. NET CONTRACT PRICE REFLECTS INCLU-

SION OF A REPLACEMENT AIRCRAFT WITH MORE ADVANCED ENGINES  
FOR AEROLINEAS' 747 NOW IN SERVICE.

2. EXIMBANK'S LEGISLATION REQUIRES IT TO TAKE INTO  
ACCOUNT IN CONSULTATION WITH THE DEPARTMENT OF STATE,  
THE HUMAN RIGHTS SITUATION WITHIN THE COUNTRY FOR WHICH  
THE BANK'S ASSISTANCE IS INTENDED. EXIMBANK IS HOLDING

DISCUSSIONS WITH THE DEPT. OF STATE ON THIS QUESTION  
AND CANNOT DETERMINE AT THIS TIME WHEN IT WILL BE RE-  
SOLVED.

3. EXIMBANK UNDERSTANDS AIRCRAFT ARE UNDER CONSTRUCTION  
AND U.S. COMMERCIAL BANK CONSORTIA HAVE BEEN ASKED BY  
AEROLINEAS TO PREPARE FINANCING PROPOSALS BOTH WITH AND  
WITHOUT AN EXIMBANK PARTICIPATION.

SUBJECT 2 - OTHER PENDING APPLICATIONS:

4. WHILE THE AEROLINEAS REQUEST IS THE ONLY LARGE ARGEN-  
TINE DIRECT CREDIT APPLICATION ON HAND, EXIMBANK ALSO  
HAS THE FOLLOWING PENDING APPLICATIONS:

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A) BRIDAS - A DIRECT REQUEST FOR 4-5 MILLION DOLS.  
IN DRILLING EQUIPMENT TO BE USED IN PERU:

B) PRELIMINARY COMMITMENT REQUESTS BABCOCK &  
WILCOX (9 MILLION DOLS. IN STEAM GENERATORS FOR  
AYEE), WESTINGHOUSE AIR BRAKE (9 MILLION DOLS. IN  
SIGNALLING EQUIPMENT FOR THE ARGENTINE RAILROADS),  
DAVY POWERGAS (US) 15 MILLION DOLS. IN U.S. EQUIPMENT  
FOR A MENTHANOL PLANT TO BE CONSTRUCTED BY ATANOR:  
AND

C) LETTER OF INTEREST REQUESTS FROM ALLIS CHALMERS  
FOR 270 MILLION DOLS. IN TURBINES AND GENERATORS  
FOR YACYRETA, BELOIT FOR 25 MILLION DOL. PAPER  
MACHINE AND OTHER EQUIPMENT TO BE USED IN CELULOSA  
ARGENTINA'S PUERTO PIRAY PROJECT AND FROM THYSSEN  
FOR 9 MILLION DOLS. IN OCEANOGRAPHY EQUIPMENT FOR  
ASTARSA. VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIRCRAFT, PROCUREMENT  
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**Copy:** SINGLE  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
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**Disposition History:** n/a  
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**Drafter:** D W SHEPARD/KAK  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Review Release Event:** n/a  
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**Subject:** 1. ARGENTINA: AEROLINEAS ARGENTINAS, PURCHASE OF 727 AND 747 AIRCRAFT 2. OTHER PENDING APPLICATIONS  
**TAGS:** EFIN, AR, AEROLINEAS ARGENTINAS  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014